

Name of Debtor (if individual, enter Last, First, Middle): <b>MGC Finance, Inc., LLC</b>		Name of Joint Debtor (Spouse) (Last, First, Middle):							
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): <b>Petters I, Inc.</b>		All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):							
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN(if more than one, state all): <b>41-2010938</b>		Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN(if more than one, state all):							
Street Address of Debtor (No. & Street, City, and State): <b>4400 Baker Road Minnetonka, MN</b>		Street Address of Joint Debtor (No. & Street, City, and State):							
ZIP CODE <b>55343</b>		ZIP CODE							
County of Residence or of the Principal Place of Business: <b>Hennepin</b>		County of Residence or of the Principal Place of Business:							
Mailing Address of Debtor (if different from street address):		Mailing Address of Joint Debtor (if different from street address):							
ZIP CODE		ZIP CODE							
Location of Principal Assets of Business Debtor (if different from street address above):									
ZIP CODE									
<b>Type of Debtor</b> (Form of Organization) (Check one box.)		<b>Nature of Business</b> (Check one box)							
<input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.) <hr/>		<input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101(51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other							
		<b>Tax-Exempt Entity</b> (Check box, if applicable)							
		<input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code.)							
<b>Chapter of Bankruptcy Code Under Which the Petition is Filed</b> (Check one box)									
<input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 9 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13									
<b>Nature of Debts</b> (Check one box)									
<input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose." <input checked="" type="checkbox"/> Debts are primarily business debts.									
<b>Filing Fee</b> (Check one box)									
<input checked="" type="checkbox"/> Full Filing Fee attached									
<input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b) See Official Form 3A.									
<input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.									
<b>Chapter 11 Debtors</b>									
<b>Check one box:</b>									
<input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D).									
<b>Check if:</b>									
<input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,190,000.									
<b>Check all applicable boxes</b>									
<input type="checkbox"/> A plan is being filed with this petition <input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).									
<b>Statistical/Administrative Information</b>									
<input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.									
THIS SPACE IS FOR COURT USE ONLY									
<b>Estimated Number of Creditors</b>									
<input checked="" type="checkbox"/> <input type="checkbox"/>									
1- 49	50- 99	100- 199	200- 999	1,000- 5,000	5,001- 10,000	10,001- 25,000	25,001- 50,000	50,001- 100,000	Over 100,000
<b>Estimated Assets</b>									
<input type="checkbox"/>									
\$0 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	\$50,000,001 to \$100 million	\$100,000,001 to \$500 million	\$500,000,001 to \$1 billion	More than \$1 billion
<b>Estimated Liabilities</b>									
<input type="checkbox"/>									
\$0 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	\$50,000,001 to \$100 million	\$100,000,001 to \$500 million	\$500,000,001 to \$1 billion	More than \$1 billion

Case 08-45331 Doc 1 Filed 10/15/08		Entered 10/16/08 08:38:39 Desc Main Document
Name of Debtor(s) Page 2 of 6 MGC Finance, Inc., LLC		

## All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet.)

Location Where Filed: <b>NONE</b>	Case Number:	Date Filed:
Location Where Filed:	Case Number:	Date Filed:
<b>Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of this Debtor</b> (If more than one, attach additional sheet)		
Name of Debtor: <b>Petters Company, Inc.</b>	Case Number: <b>08-45257</b>	Date Filed: <b>10/11/2008</b>
District: <b>Minnesota</b>	Relationship: <b>sole member/parent</b>	Judge: <b>Gregory Kishel</b>
<b>Exhibit A</b>		<b>Exhibit B</b>
(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)		(To be completed if debtor is an individual whose debts are primarily consumer debts)
<input type="checkbox"/> Exhibit A is attached and made a part of this petition.		I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I have delivered to the debtor the notice required by 11 U.S.C. § 342(b).
		<b>X Not Applicable</b> Signature of Attorney for Debtor(s) _____ Date _____

**Exhibit C**

Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?

Yes, and Exhibit C is attached and made a part of this petition.  
 No

**Exhibit D**

(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)

Exhibit D completed and signed by the debtor is attached and made a part of this petition.

If this is a joint petition:

Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.

**Information Regarding the Debtor - Venue**  
(Check any applicable box)

Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.

There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.

Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.

**Certification by a Debtor Who Resides as a Tenant of Residential Property**  
(Check all applicable boxes.)

Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following).

(Name of landlord that obtained judgment) \_\_\_\_\_

(Address of landlord) \_\_\_\_\_

Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and

Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.

Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).

<p>Case 08-45331 Doc 1 Filed 10/15/08 Document</p> <p><b>Voluntary Petition</b> (This page must be completed and filed in every case)</p>		<p>Entered 10/16/08 08:38:39 Desc Main</p> <p>Name of Debtor(s) <b>Page 3 of 6</b> MGC Finance, Inc., LLC</p>
<b>Signatures</b>		
<p><b>Signature(s) of Debtor(s) (Individual/Joint)</b></p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct.</p> <p>[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.</p> <p>[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. § 342(b).</p> <p>I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p><b>X Not Applicable</b></p> <p>Signature of Debtor</p> <p><b>X Not Applicable</b></p> <p>Signature of Joint Debtor</p> <p>Telephone Number (If not represented by attorney)</p> <p>Date</p> <p><b>X</b> <u>James A. Lodoen</u> <span style="float: right;">Signature of Attorney</span> Signature of Attorney for Debtor(s)</p> <p><b>James A. Lodoen Bar No. 0173605</b> Printed Name of Attorney for Debtor(s) / Bar No.</p> <p><b>Lindquist &amp; Vennum P.L.L.P.</b> Firm Name</p> <p><b>80 South 8th Street Suite 4200</b> Address</p> <p><b>Minneapolis MN 55402</b> Address</p> <p><b>612-371-3211</b> <span style="float: right;"><b>612-371-3207</b></span> Telephone Number</p> <p><u>10-15-08</u> Date</p> <p>*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.</p> <p><b>Signature of Debtor (Corporation/Partnership)</b></p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.</p> <p>The debtor requests the relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p><b>X</b> <u>Douglas A. Kelley</u> <span style="float: right;">Signature of Authorized Individual</span></p> <p><b>Douglas A. Kelley</b> Printed Name of Authorized Individual</p> <p><b>Court Appointed Receiver</b> Title of Authorized Individual</p> <p><u>10/15/08</u> Date</p>		<p><b>Signature of a Foreign Representative</b></p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.</p> <p>(Check only one box.)</p> <p><input type="checkbox"/> I request relief in accordance with chapter 15 of Title 11, United States Code. Certified Copies of the documents required by § 1515 of title 11 are attached.</p> <p><input type="checkbox"/> Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the Chapter of title 11 specified in the petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.</p> <p><b>X Not Applicable</b></p> <p>(Signature of Foreign Representative)</p> <p>(Printed Name of Foreign Representative)</p> <p>Date</p> <p><b>Signature of Non-Attorney Petition Preparer</b></p> <p>I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.</p> <p><b>Not Applicable</b></p> <p>Printed Name and title, if any, of Bankruptcy Petition Preparer</p> <p>Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social-Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)</p> <p>Address</p> <p><b>X Not Applicable</b></p> <p>Date</p> <p>Signature of bankruptcy petition preparer or officer, principal, responsible person, or partner whose Social-Security number is provided above.</p> <p>Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual.</p> <p>If more than one person prepared this document, attach to the appropriate official form for each person.</p> <p><i>A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110; 18 U.S.C. § 156.</i></p>

United States Bankruptcy Court  
District of Minnesota

In re MGC Finance, Inc., LLC

Debtor

Case No.

Chapter

11

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if claim is contingent, unliquidated, disputed or subject to setoff</i>	<i>Amount of claim [if secured also state value of security]</i>
Arrowhead Capital Finance Ltd 601 Carlson Parkway, Suite 1250 Minnetonka, MN 55305	James Fry, Chief Manager 952-224-5200 Arrowhead Capital Finance Ltd 601 Carlson Parkway, Suite 1250 Minnetonka, MN 55305	Security Agreement	CONTINGENT UNLIQUIDATED DISPUTED	\$76,190,713.00  SECURED VALUE:
ArrowHead Capital Partners II, LP 601 Carlson Parkway, Suite 1250 Minnetonka, MN 55305	Frank Vennes 952-224-5200 ArrowHead Capital Partners II, LP 601 Carlson Parkway, Suite 1250 Minnetonka, MN 55305	Security Agreement	CONTINGENT UNLIQUIDATED DISPUTED	\$19,675,765.00  SECURED VALUE:

**DECLARATION UNDER PENALTY OF PERJURY  
ON BEHALF OF A CORPORATION OR PARTNERSHIP**

I, Douglas A. Kelley, Court Appointed Receiver of the Corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing list and that it is true and correct to the best of my information and belief.

Date:

10/15/08

Signature:

Douglas A. Kelley

Douglas A. Kelley, Court Appointed Receiver

(Print Name and Title)

Penalty for making a false statement or concealing property. Fine of up to \$500,000 or imprisonment for up to 5 years or both. 18 U.S.C §§ 152 and 3571.

The above creditors and amounts of claims are based upon incomplete information, the accuracy of which is in question. This information is compiled from various sources and represents a good faith estimate. The schedules may be amended as more information becomes available.

In re:

Thousand Lakes, LLC  
PC Funding, LLC  
PAC Funding, LLC  
SPF Funding, LLC  
PL Ltd, Inc.  
Edge One, LLC  
MGC Finance, Inc.

Debtor(s).

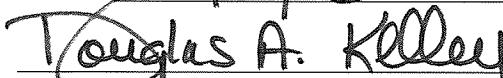
**SIGNATURE DECLARATION**

PETITION, SCHEDULES & STATEMENTS  
 CHAPTER 13 PLAN  
 SCHEDULES AND STATEMENTS ACCOMPANYING VERIFIED CONVERSION  
 AMENDMENT TO PETITION, SCHEDULES & STATEMENTS  
 MODIFIED CHAPTER 13 PLAN  
 OTHER: (please describe: \_\_\_\_\_)

I, **Douglas A. Kelley**, the undersigned debtors or authorized representative of the debtors, *make the following declarations under penalty of perjury*:

- The information I have given my attorney and provided in the electronically filed petition, statements, schedules, amendments, and/or chapter 13 plan, as indicated above, is true and correct;
- The information provided in the "Debtor Information Pages" submitted as a part of the electronic commencement of the above-referenced case is true and correct;
- [individual debtors only] If no Social Security Number is included in the "Debtor Information Pages" submitted as a part of the electronic commencement of the above-referenced case, it is because I do not have a Social Security Number;
- I consent to my attorney electronically filing with the United States Bankruptcy Court my petition, statements and schedules, amendments, and/or chapter 13 plan, as indicated above, together with a scanned image of this Signature Declaration and the completed "Debtor Information Pages," if applicable; and
- [corporate and partnership debtors only] I have been authorized to file this petition on behalf of the debtor.

Date:

10/15/08

Signature of Debtor or Authorized Representative

Douglas A. Kelley

Printed Name of Debtor or Authorized Representative

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

STATEMENT OF AUTHORITY TO SIGN AND FILE PETITIONS

I, Douglas A. Kelley, declare under penalty of perjury that I am the Court Appointed Receiver of Petters Company, Inc, a Minnesota corporation, and Petters Group Worldwide, LLC, a Delaware Limited Liability Company, and all affiliates, subsidiaries, divisions, successors or assigns owned 100% or controlled by the foregoing. As the Court Appointed Receiver, I hereby declare as follows:

It is in the best interest of the following entities:

Thousand Lakes, LLC  
PC Funding, LLC  
PAC Funding, LLC  
SPF Funding, LLC  
PL Ltd, Inc.  
Edge One, LLC  
MGC Finance, Inc.

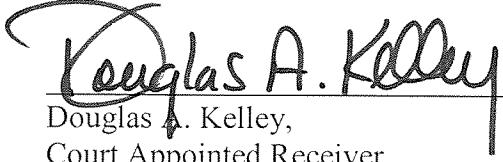
(hereinafter the "Companies") to file voluntary petitions in the United States Bankruptcy Court pursuant to Chapter 11 of Title 11 of the United States Code;

As the Court Appointed Receiver of the Companies, I am authorized to execute and deliver all documents necessary to perfect the filing of Chapter 11 voluntary bankruptcy cases on behalf of the Companies; and

As the Court Appointed Receiver, I am authorized to appear in all bankruptcy proceedings on behalf of the Companies, and to otherwise do and perform all acts and deeds and to execute and deliver all necessary documents on behalf of the Companies in connection with such bankruptcy case; and

As the Court Appointed Receiver, I am authorized to employ James A. Lodoen, attorney, and the law firm of Lindquist & Vennum P.L.L.P., to represent the Companies in such bankruptcy cases.

Executed on: 10/15/08

  
\_\_\_\_\_  
Douglas A. Kelley,  
Court Appointed Receiver